## Amendments to the Claims:

This listing of claims will replace all prior versions, and listings, of claims in the application:

## Listing of Claims:

Claims 1-37 (cancelled)

Claim 38 (new): A computer-readable medium comprising computer executable instructions for executing a method for determining a target price for an auction item, the method comprising the steps of:

pricing the auction item using list price data in an electronically stored product model;

costing the auction item using cost data in the product model;

determining an equivalent competitor net price for the auction item using an electronically stored competitor net price model;

processing of said auction item pricing, said auction item costing, and said equivalent competitor net price to calculate a plurality of bids as a function of prices using the parameters from an electronically stored market response model that calculates winning probabilities for each of the prices; and

processing of said optimal bids to calculate a target price for the auction item, wherein the processing of said optimal bids comprises accessing an electronically stored optimization model that calculates a separate expected contribution value for each of the bids and selecting an optimal bid associated with a maximum expected contribution, wherein the expected contribution for a selected bid comprises a product of a marginal contribution for the selected bid and the winning probability for the selected bid, wherein the marginal contribution comprises revenues from winning the auction item at the selected bid minus immediately incurred costs from winning the auction item at the selected bid.

Claim 39 (new): The computer-readable medium of claim 38, wherein the market response model calculates the probability of winning auction item at a select price using an expediential distribution comprising price-independent terms reflecting a relative brand preference for the auction item and price-dependent terms reflecting price sensitivity.

Claim 40 (new): The computer-readable medium of claim, wherein the method further comprises the step of the calculating a target price range for the auction item.

Claim 41 (new): The computer-readable medium of claim 40 wherein the step of processing of said auction item pricing, said auction item costing, and said equivalent competitor net price to calculate a plurality of bids further comprises:

comparing the equivalent competitor net price to the target price range, and

if the an equivalent competitor net price falls outside the target price range, overriding the equivalent competitor net price with a predefined price within said target range prices.

Claim 42 (new): The computer-readable medium of claim 38, wherein the product and competitor price models are n-dimensional with stored data reflective of at least price and cost, and wherein the pricing the auction item, the costing the auction item, and the determining an equivalent competitor net price each comprises an iterative linear interpolation of the stored data.

Claim 43 (new): A computer-readable medium comprising computer executable instructions for executing a process of target pricing an auction item, the process comprising the steps of:

pricing the auction item using stored list prices in an electronically stored product model;

costing the auction item using stored costs in the product model;

determining an equivalent competitor net price for the auction item using an electronically stored competitor net price model;

processing of said auction item pricing, said auction item costing, and said equivalent competitor net price to calculate a probability of winning the auction item as a function of price using parameters from an electronically stored market response model; and

processing of said probability of winning to calculate a target price for the auction item that maximizes an expected contribution value using an electronically stored optimization model that determines competitive response to any potential price for the auction item, wherein the expected contribution the target price comprises a product of a marginal contribution for the target price and the winning probability for the target price,

wherein the marginal contribution the target price comprises revenues from winning the auction item at the target price minus immediately incurred costs from winning the auction item at the target price..

Claim 44 (new): The computer-readable medium of claim 43, wherein the market response model calculates the probability of winning auction item at a select price using an expediential distribution comprising price-independent terms reflecting a relative brand preference for the auction item and price-dependent terms reflecting price sensitivity.

Claim 45 (new): The computer-readable medium of claim 44, wherein the electronically stored market response model includes coefficients for market response predictors based upon historical data, and
wherein the step of processing to calculate the probability of winning includes evaluating price-independent predictors and generating a market response curve reflecting a probability of winning the auction item as a function of a net price.

Claim 46 (new): The computer-readable medium of claim 45, wherein the step of evaluating the price-independent predictors comprises evaluating price independent predictors for at least a customer, a order, and a product.

Claim 47 (new): The computer-readable medium of claim 43, wherein the electronically stored product and competitor price models are n-dimensional with stored data reflective of at least price and cost, and wherein each of the steps of the computer automatically pricing the auction item, costing the auction item, and determining an equivalent competitor net price comprises iterative linear interpolations of the stored data.

Claim 48 (new):The computer-readable medium of claim 43, wherein the step of calculating an equivalent competitor net price further includes the steps of:
retrieving a reference price from a the product model for a specific auction item; and
applying an electronically stored  discounting model to the reference price to determine a competitor net price for the specific auction item.

Claim 49 (new): The computer-readable medium of claim 43, wherein the method further comprises the step of the calculating a target price range for the auction item.

Claim 50 (new): The computer-readable medium of claim 49, wherein the step of processing of said auction item pricing, said auction item costing, and said equivalent competitor net price to calculate a plurality of bids further comprises:

comparing the equivalent competitor net price to the target price range, and

if the an equivalent competitor net price falls outside the target price range, overriding the equivalent competitor net price with a predefined price within said target range prices.